

By: Lucio

S.B. No. 1636

A BILL TO BE ENTITLED

AN ACT

relating to financial assistance provided by the Texas State Affordable Housing Corporation for the demolition and replacement of unsafe housing and the purchase of manufactured homes by individuals and families of very low income.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter Y, Chapter 2306, Government Code, is amended by adding Sections 2306.570 and 2306.571 to read as follows:

Sec. 2306.570. TEXAS SAFE HOME PROGRAM. (a) The corporation shall establish and administer a program to provide financial assistance for the demolition and replacement of owner-occupied single-family homes that are in a condition that poses a risk to the health and safety of the occupants.

(b) The board of directors of the corporation shall adopt rules to implement the program described by this section. Rules adopted under this section must establish:

(1) procedures and forms for nominating a household for participation in the program;

(2) eligibility criteria for participation in the program, including criteria based on:

(A) the financial need of the household;

(B) the physical condition of the home; and

(C) other criteria the board considers

1 necessary;

2 (3) procedures for evaluating a household's  
3 eligibility for participation in the program;

4 (4) a system that:

5 (A) prioritizes and maximizes the allocation of  
6 available funds; and

7 (B) includes the assignment of eligible  
8 households to specific funding priority levels that are designed to  
9 ensure the most effective use of funds for the most exigent  
10 circumstances; and

11 (5) the manner in which a nomination must be made and  
12 the manner in which households will be assigned to a specific  
13 funding priority level under the system described by Subdivision  
14 (4).

15 (c) Funding priority levels described by Subsection  
16 (b)(4)(B) must give high priority to:

17 (1) households with children, the elderly, or persons  
18 with disabilities;

19 (2) households whose health and safety are at greatest  
20 risk due to the continued occupancy of a home described by  
21 Subsection (a); and

22 (3) households that:

23 (A) are eligible for and will receive third-party  
24 contributions, including volunteer labor or additional loans,  
25 grants, or other financial assistance; or

26 (B) will contribute labor in the demolition or  
27 construction of the home.

1        (d) A household may be nominated for participation in the  
2 program by a mayor, fire chief, fire marshal, volunteer fire chief,  
3 county commissioner, or county judge filing a nomination with the  
4 corporation.

5        (e) On receipt of a nomination regarding a household, the  
6 corporation shall determine whether the household is eligible to  
7 participate in the program. If the household is eligible, the  
8 corporation shall establish a funding priority level for the  
9 household.

10       (f) A household may not be required to participate in the  
11 program.

12       (g) In determining whether a nominated household is  
13 eligible for participation in the program and for the purpose of  
14 establishing a funding priority level for the household, a  
15 representative or designee of the corporation shall inspect the  
16 home with the homeowner and with the person who nominated the  
17 household or that person's designee.

18       (h) Financial assistance administered under this section  
19 may be provided in the form of a grant, partial grant, loan, or  
20 forgivable loan.

21       (i) The corporation shall establish the Texas safe home  
22 trust fund. The Texas safe home trust fund:

23           (1) is a fund:

24                   (A) administered by the corporation; and

25                   (B) placed with the Texas Treasury Safekeeping  
26 Trust Company;

27           (2) consists of:

1                   (A) money deposited to the fund under Section  
2 158.056, Tax Code;

3                   (B) appropriations or transfers made to the fund;

4                   (C) unencumbered fund balances;

5                   (D) public or private gifts, grants, or  
6 donations;

7                   (E) investment income, including all interest,  
8 dividends, capital gains, or other income from the investment of  
9 any portion of the fund;

10                  (F) repayments received on loans made from the  
11 fund; and

12                  (G) funds from any other source; and

13                  (3) may be used only to support the program  
14 established by this section.

15                  (j) The corporation shall attempt to secure an agreement  
16 with:

17                   (1) private lending institutions for below market rate  
18 loans for use in the program; and

19                   (2) manufacturers of manufactured housing for the  
20 provision of HUD-code manufactured homes at a discounted price.

21                  (k) An entity that enters into an agreement with the  
22 corporation under Subsection (j) may:

23                   (1) be designated as an "Official Partner of the State  
24 of Texas for Safe and Affordable Homes"; and

25                   (2) use the designation described by Subdivision (1)  
26 in advertising and promotion.

27                  (l) The corporation may enter into a contract for the

1 administration of the program.

2 (m) Not later than September 1 of each year, the corporation  
3 shall submit to the governor, the lieutenant governor, the speaker  
4 of the house of representatives, and the state fire marshal a report  
5 that documents for the preceding state fiscal year the number of  
6 households that participated in the program, the nature of the  
7 financial assistance provided under the program, and the amounts of  
8 public and private financial assistance administered through the  
9 program.

10 Sec. 2306.571. MANUFACTURED HOME PURCHASE ASSISTANCE  
11 PROGRAM. (a) The corporation shall establish a program to provide  
12 financial assistance to eligible persons for the purchase of new  
13 manufactured homes from a retailer licensed under Chapter 1201,  
14 Occupations Code.

15 (b) The board of directors of the corporation shall adopt  
16 rules governing:

17 (1) the administration of the program;  
18 (2) the issuance of financial assistance under the  
19 program;

20 (3) eligibility criteria for participation in the  
21 program, including creditworthiness and purchase price criteria;

22 (4) exceptions to the residency requirement under  
23 Subsection (c)(1), including death, loss of employment, or other  
24 exigent circumstances; and

25 (5) the structure of the financial assistance provided  
26 under this section, which may include secured or unsecured deferred  
27 forgivable loans.

1        (c) To be eligible for financial assistance under this  
2 section, a person must:

3            (1) reside in this state on the date on which an  
4 application for financial assistance under this section is filed;

5            (2) be an individual or family of very low income;

6            (3) except as provided by the corporation program  
7 guidelines or rules, continuously occupy the purchased  
8 manufactured home as the person's primary residence for at least  
9 two years following the date of purchase of the home; and

10           (4) satisfy any other requirements established by the  
11 board of directors of the corporation.

12        (d) When adopting additional rules on homeowner  
13 eligibility, the board of directors of the corporation may consider  
14 giving priority in allocating financial assistance under this  
15 section to:

16           (1) a person who is currently serving in the military  
17 or who is a veteran;

18           (2) a person who is at least 65 years of age;

19           (3) a person who has not owned a home during the three  
20 years before the date on which an application is filed under this  
21 section;

22           (4) a person who is replacing an existing manufactured  
23 home used as the person's primary residence that was manufactured  
24 more than 15 years before the date on which an application is filed  
25 under this section;

26           (5) a person buying a manufactured home that is an  
27 "Energy Star" qualified manufactured home or that conforms to the

energy efficiency standards or program jointly operated by the United States Department of Housing and Urban Development and the United States Department of Energy; and

(6) a person who will install the home in a rural county.

(e) For each manufactured home purchased with financial assistance under this section, the assistance may not exceed the lesser of:

(1) \$35,000;

(2) 50 percent of the total purchase price of the manufactured home; or

(3) 50 percent of the total purchase price of the manufactured home and the real property on which a manufactured home has been installed, if a real property election has been perfected under Section 1201.222(a), Occupations Code.

(f) Financial assistance provided under this section to purchase a home having a primary loan associated with the purchase, if the loan does not involve the use of real property as security, must be provided by a lender that:

(1) makes consumer loans on manufactured homes in this state in conformance with Chapter 347, Finance Code; or

(2) is a federally insured depository institution.

(g) A lender must comply with applicable requirements of state and federal law if the loan involves the use of real property as security.

(h) The corporation may fund the program with:

(1) money appropriated to the corporation for that

1 purpose;

2 (2) money deposited to the housing trust fund under  
3 Section 158.056, Tax Code; and

4 (3) funds from any other source.

5 (i) A person who receives financial assistance through a  
6 second lien loan under this section shall repay the outstanding  
7 balance of the loan if the person ceases to occupy the manufactured  
8 home as the person's primary residence.

9 (j) The corporation shall award financial assistance under  
10 the program on a first-come, first-served basis. The corporation  
11 may publish on its Internet website notice that the corporation is  
12 accepting applications for the program.

13 (k) The corporation may reserve for payment of  
14 administrative expenses not more than five percent of money  
15 received for the program under this section.

16 (l) The corporation may coordinate with local government  
17 officials and utility providers to promote awareness of the program  
18 and to receive recommendations of persons potentially eligible to  
19 participate in the program.

20 SECTION 2. Section 158.056, Tax Code, is amended by adding  
21 Subsection (c) to read as follows:

22 (c) The comptroller shall deposit:

23 (1) 50 percent of the tax imposed under this section to  
24 the credit of the Texas safe home trust fund established under  
25 Section 2306.570, Government Code, for use only for the purposes  
26 authorized by that section; and

27 (2) 50 percent of the tax imposed under this section to



1 the credit of the housing trust fund to be used only to provide down  
2 payment assistance for the purchase of manufactured homes by  
3 individuals and families of very low income.

4       SECTION 3. This Act takes effect September 1, 2015.